

National Credit Union Administration



Operating Fund

***Financial Highlights
November 30, 2012***

Mary Ann Woodson

**Mary Ann Woodson
Chief Financial Officer**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF NOVEMBER 30, 2012

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$47.2 million. Its balance decreased \$6.5 million in the month primarily for the payment of operating expenses. The cash position is considered to be sufficient to cover current and future obligations of the Fund.

Statements of Revenues, Expenses, and Changes in Fund Balance

Net income for the month was \$632,000 and net income year to date was \$1,189,000. Interest income on overnight investments has averaged 0.11% during the year, versus 0.05% during the same period last year.

Statements of Cash Flow

The cash position decreased \$6.5 million since last month. Operating activities generated the major portion of the net change in cash. Also, \$66,000 was invested in new capital assets and \$112,000 in cash was used to reduce or repay the NCUSIF note payable long-term liability, which has a balance of \$14.5 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$11.1 million or 5.1 percent, compared to being under the year-to-date budget by approximately \$9.2 million or 4.5 percent during the same period last year. Of the total variance, employee pay and benefits was over budget by \$0.6 million or 0.4%, travel was under budget by \$2.5 million or 10.0%, and the remaining expense categories combined were under budget by \$9.2 million or 24.7%.

The average annualized travel spend per FTE has been \$20,997 this year, which is \$303 less than last year.

Vacancies

The Agency had 86 vacancies as of this month -- up 2 from the prior month. Of the 86 vacancies, 40 were in the central office and 46 were in the regions and AMAC. The 86 vacancies represent 6.8% percent of total authorized staff of 1,261.50.

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

BALANCE SHEETS

AS OF NOVEMBER 30, 2012 AND NOVEMBER 30, 2011

(Dollars in thousands)

	11/30/2012	10/31/2012	11/30/2011
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 47,235	\$ 53,701	\$ 42,387
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	176	84	-
EMPLOYEE ADVANCES	56	14	58
OTHER ACCOUNTS RECEIVABLE, Net	262	231	575
PREPAID EXPENSES AND OTHER ASSETS	1,551	1,470	1,280
ASSETS HELD FOR SALE	575	575	743
FIXED ASSETS — Net of accumulated depreciation of \$27,012 as of November 30, 2012	31,049	31,181	31,099
INTANGIBLE ASSETS — Net of accumulated amortization of \$10,441 as of November 30, 2012	<u>5,425</u>	<u>5,755</u>	<u>6,970</u>
TOTAL	<u>\$ 86,329</u>	<u>\$ 93,011</u>	<u>\$ 83,112</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 10,078	\$ 18,025	\$ 10,814
Obligations under capital leases	83	83	51
Accrued wages and benefits	11,880	11,135	7,745
Accrued annual leave	14,451	14,451	13,988
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>14,527</u>	<u>14,639</u>	<u>15,868</u>
Total Liabilities	51,019	58,333	48,466
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>35,310</u>	<u>34,678</u>	<u>34,646</u>
TOTAL	<u>\$ 86,329</u>	<u>\$ 93,011</u>	<u>\$ 83,112</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE FOR THE PERIODS ENDED NOVEMBER 30, 2012 AND NOVEMBER 30, 2011 (Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2012	2011	2012	2011
REVENUES:				
Operating fees	\$ 81,398	\$ 79,014	\$ 7,400	\$ 7,183
Interest	44	18	6	1
Other	<u>1,281</u>	<u>968</u>	<u>220</u>	<u>93</u>
Total Revenues	82,723	80,000	7,626	7,277
EXPENSES, NET:				
Employee wages and benefits, net	61,253	57,394	5,107	5,313
Travel	8,912	8,824	798	919
Rent, communications, and utilities	1,701	1,718	178	185
Contracted services	5,215	4,882	442	306
Other	<u>4,453</u>	<u>5,444</u>	<u>469</u>	<u>373</u>
Total Expenses	<u>81,534</u>	<u>78,262</u>	<u>6,994</u>	<u>7,096</u>
EXCESS OF REVENUES OVER EXPENSES	1,189	1,738	632	181
FUND BALANCE—Beginning of period	<u>34,121</u>	<u>32,908</u>	<u>34,678</u>	<u>34,465</u>
FUND BALANCE—End of period	<u>\$ 35,310</u>	<u>\$ 34,646</u>	<u>\$ 35,310</u>	<u>\$ 34,646</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED NOVEMBER 30, 2012 AND NOVEMBER 30, 2011 (Dollars in thousands)

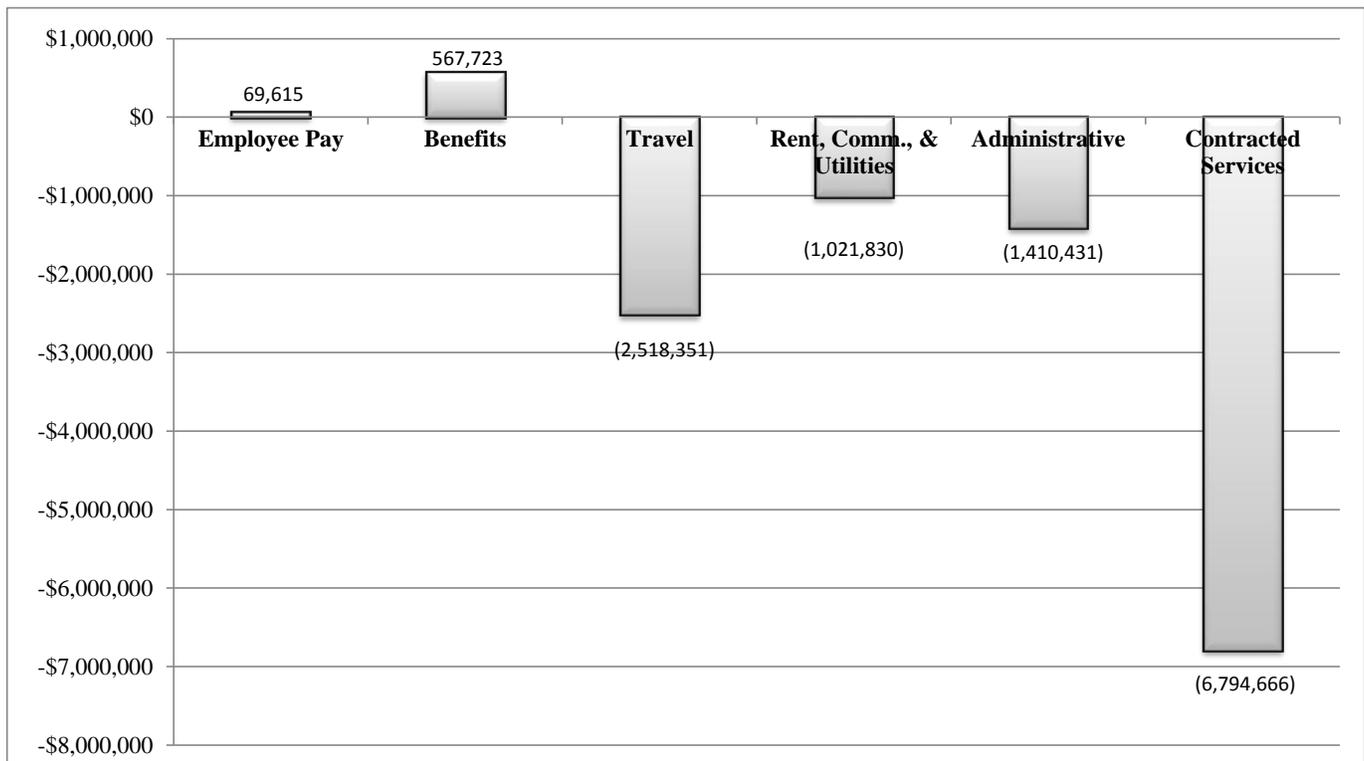
	YEAR-TO-DATE		MONTH	
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 1,189	\$ 1,738	\$ 632	\$ 181
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	5,743	4,371	535	495
Provision for loss on disposal of employee residences held for sale	158	235	-	-
(Gain) loss on fixed asset retirements	107	1	(7)	1
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	1,006	2,857	(92)	-
Employee advances	(13)	(8)	(42)	(1)
Other accounts receivable	623	(226)	(31)	186
Prepaid expenses and other assets	(536)	91	(81)	(49)
(Decrease) increase in liabilities:				
Accounts payable	3,004	5,771	(7,947)	(9,205)
Accrued wages and benefits	2,585	(836)	745	1,201
Accrued annual leave	1,752	2,587	-	-
Accrued employee travel	(628)	(532)	-	-
Net cash provided by operating activities	<u>14,990</u>	<u>16,049</u>	<u>(6,288)</u>	<u>(7,191)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed assets	(3,181)	(4,824)	(66)	(198)
Proceeds from insurance on fixed assets	25	-	-	-
Purchases of employee residences held for sale	(995)	(1,197)	-	(100)
Proceeds from sale of employee residences held for sale	<u>658</u>	<u>915</u>	<u>-</u>	<u>-</u>
Net cash used in investing activities	<u>(3,493)</u>	<u>(5,106)</u>	<u>(66)</u>	<u>(298)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(1,229)	(1,229)	(112)	(112)
Principal payments under capital lease obligations	<u>(15)</u>	<u>28</u>	<u>-</u>	<u>41</u>
Net cash used in financing activities	<u>(1,244)</u>	<u>(1,201)</u>	<u>(112)</u>	<u>(71)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,253	9,742	(6,466)	(7,560)
CASH AND CASH EQUIVALENTS—Beginning of period	<u>36,982</u>	<u>32,645</u>	<u>53,701</u>	<u>49,947</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 47,235</u>	<u>\$ 42,387</u>	<u>\$ 47,235</u>	<u>\$ 42,387</u>
CASH PAYMENTS FOR INTEREST	<u>\$ 268</u>	<u>\$ 318</u>	<u>\$ 23</u>	<u>\$ 27</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)
AS OF NOVEMBER 30, 2012 AND NOVEMBER 30, 2011**

	2012				2011			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay	115,228,452	115,298,067	69,615	0.1%	113,112,827	112,499,616	(613,211)	-0.5%
Benefits	38,463,513	39,031,236	567,723	1.5%	34,310,552	31,683,393	(2,627,159)	-7.7%
Travel	25,222,259	22,703,908	(2,518,351)	-10.0%	22,619,142	22,543,216	(75,926)	-0.3%
Rent, Comm., & Utilities	5,207,018	4,185,188	(1,021,830)	-19.6%	4,633,381	4,183,591	(449,790)	-9.7%
Administrative	12,360,510	10,950,078	(1,410,431)	-11.4%	12,579,313	13,244,382	665,069	5.3%
Contracted Services	19,748,718	12,954,052	(6,794,666)	-34.4%	18,057,531	11,909,657	(6,147,874)	-34.0%
TOTAL	216,230,471	205,122,531	(11,107,940)	-5.1%	205,312,746	196,063,855	(9,248,891)	-4.5%

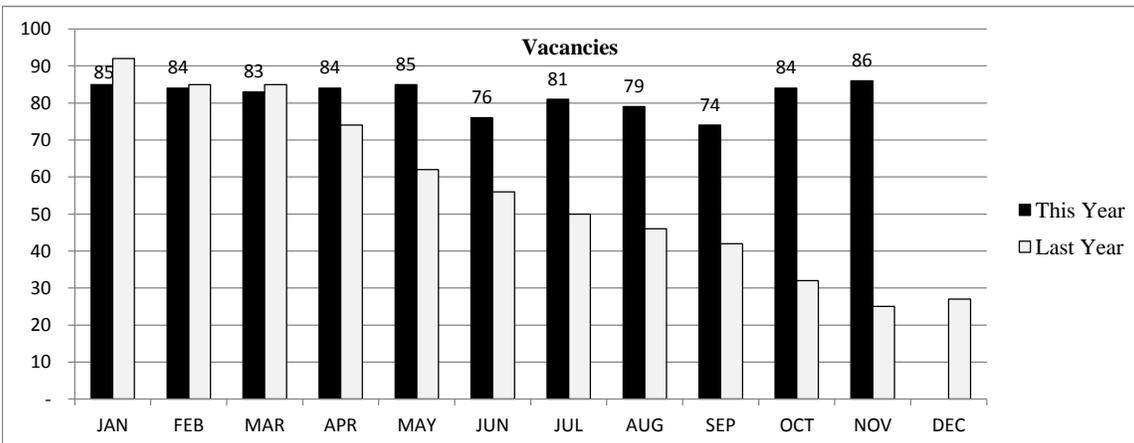
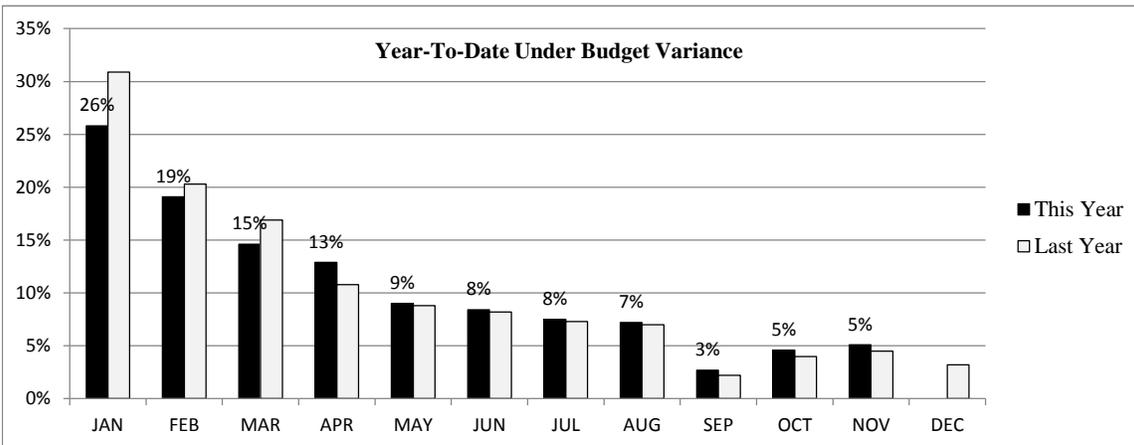
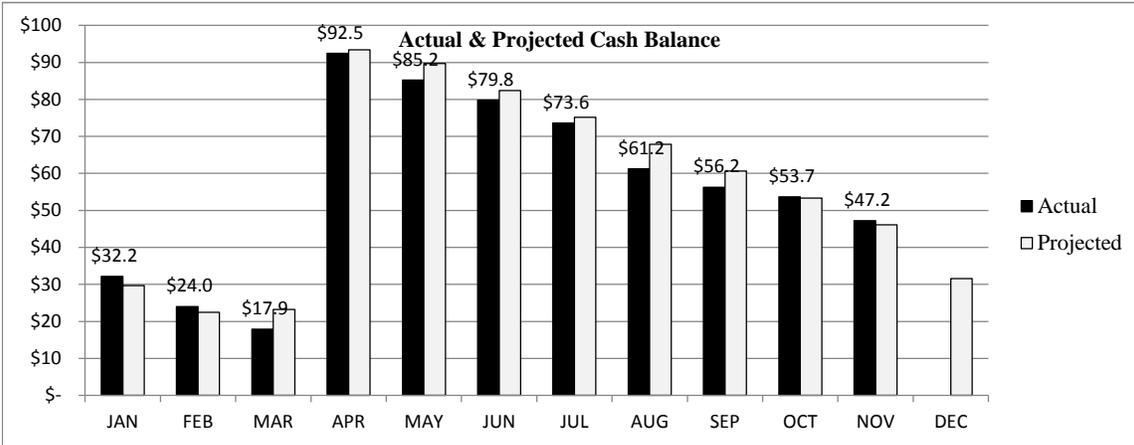
Amount Over (Under) Budget



Budget amounts reflects mid-session adjustments.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**GRAPHS AND RATIOS
AS OF NOVEMBER 30, 2012 AND NOVEMBER 30, 2011**



	11/30/2012	11/30/2011
Retained earnings / Total assets	40.90%	41.69%
YTD interest income to average investments (annualized)	0.11%	0.05%
Annualized travel spend per employee	\$20,997	\$21,300
Net year to date cash inflow (outflow) in millions of dollars	\$10	\$10
Cash and overnight investments / Total assets	54.72%	51.00%
Overhead transfer rate	59.30%	58.90%